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# Iraq

## Status Report

September 15, 2010



Bureau of Near Eastern Affairs  
U.S. Department of State

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# TABLE OF CONTENTS

<b>HIGHLIGHTS</b>	3
<b>POLITICAL</b>	
• Governance & Legislation	4
<b>SECURITY</b>	
• Situation Update	9
<b>ECONOMIC</b>	
• Oil	10
• Fiscal and Monetary Affairs	12
• Public Services	14
• Industry Spotlight	16
<b>DIPLOMATIC</b>	
• Political Engagement	17
<b>BAGHDAD &amp; BEYOND</b>	20
<b>Contact Information, Notes and Source Citations</b>	21



## HIGHLIGHTS

- **Iraqiyya Attempts to Resume Negotiations with INA (*POLITICAL*, page 4)**
- **Four Detainees Escape from Kharkh Prison (*SECURITY*, page 9)**
- **Job Fair for Construction Workers Held in Tikrit (*ECONOMIC*, page 15)**
- **Department of State: Human Rights “Critical Component” of U.S.-Iraqi Relations (*DIPLOMATIC*, page 17)**

## POLITICAL – Governance & Legislation



### Government formation negotiations continue

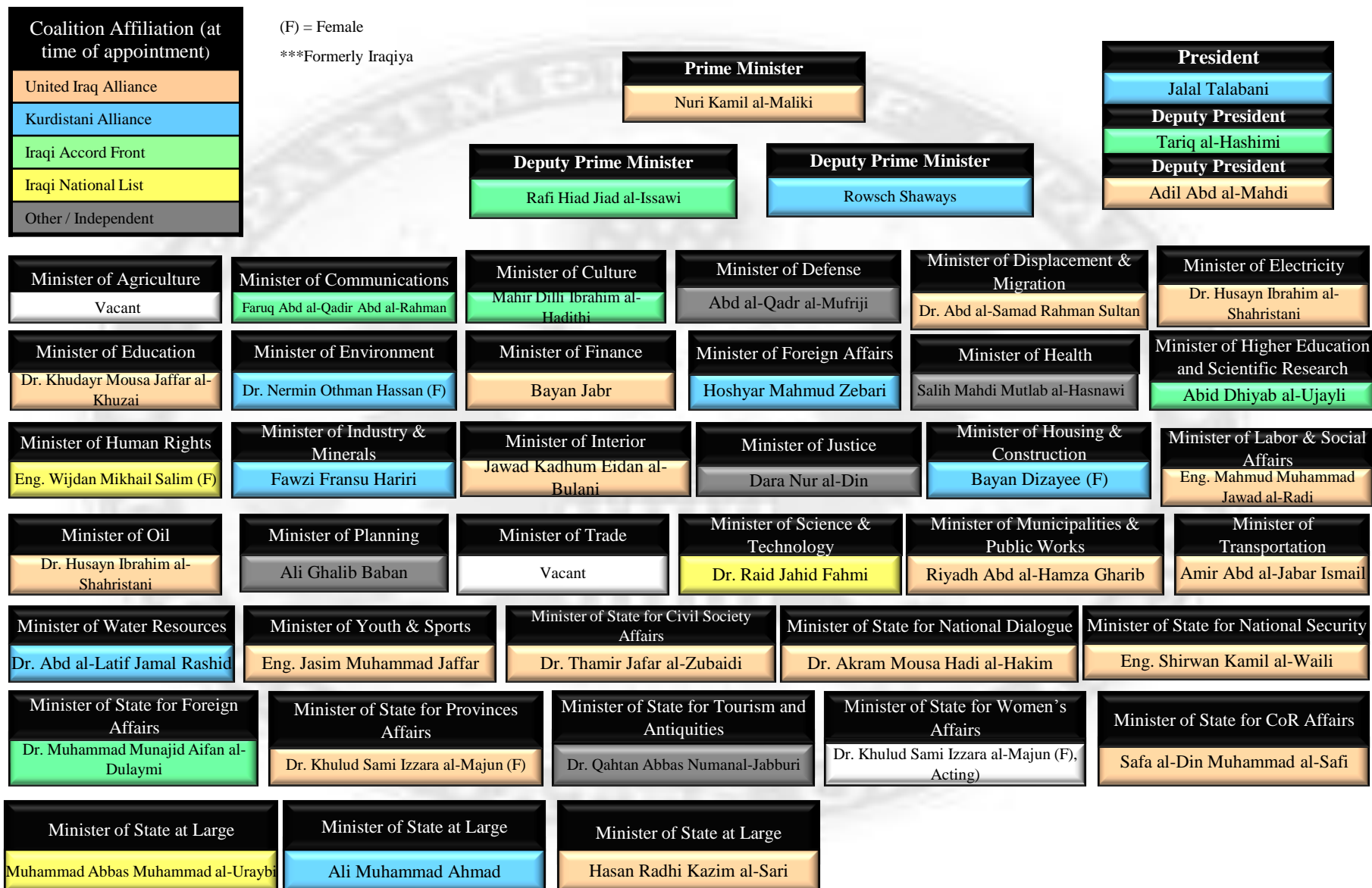
#### **Iraqiyya Attempts to Resume Negotiations with INA:**

- The Iraqiyya Alliance announced on September 14 its intention to resume dialogue with the Iraqi National Alliance (INA) to form a new Iraqi government. “The INA, considered the closest political force to the Iraqiyya Alliance due to their mutual understanding towards the formation of the next government and the building of the State, has not received any draft resolution by the INA as a starting point for the formation of a government of national partnerships,” said Iraqiyya’s advisor, Hani Ashur. Admitting the existence of differences between the two sides, he requested that the INA present a draft resolution to initiate negotiations between the two parties.

#### **GOI Spokesman and KRG President Discuss Federal, Regional Relations:**

- Iraqi government Spokesman, Ali al-Dabbagh, held a meeting with KRG President Massoud Barzani in Erbil on September 13. According to a statement, Dabbagh met with Barzani to discuss government formation. “The meeting focused also on the relations between federal and the region’s governments,” the statement added.

# POLITICAL – Government of Iraq

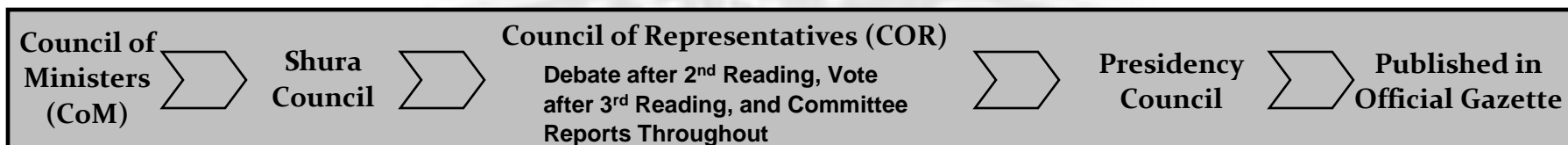






## POLITICAL – Key Legislative Issues

### Legislative Process



- **Hydrocarbons Package:** The Framework Law was resubmitted to the Oil and Gas Committee on October 26, 2008 and then returned to the Council of Ministers. There has been no progress on the other three laws in the package.
- **NGO Law:** This law, approved March 3, will regulate the operations and funding of Non-Governmental Organizations operating within Iraq.

## POLITICAL – Refugee Update

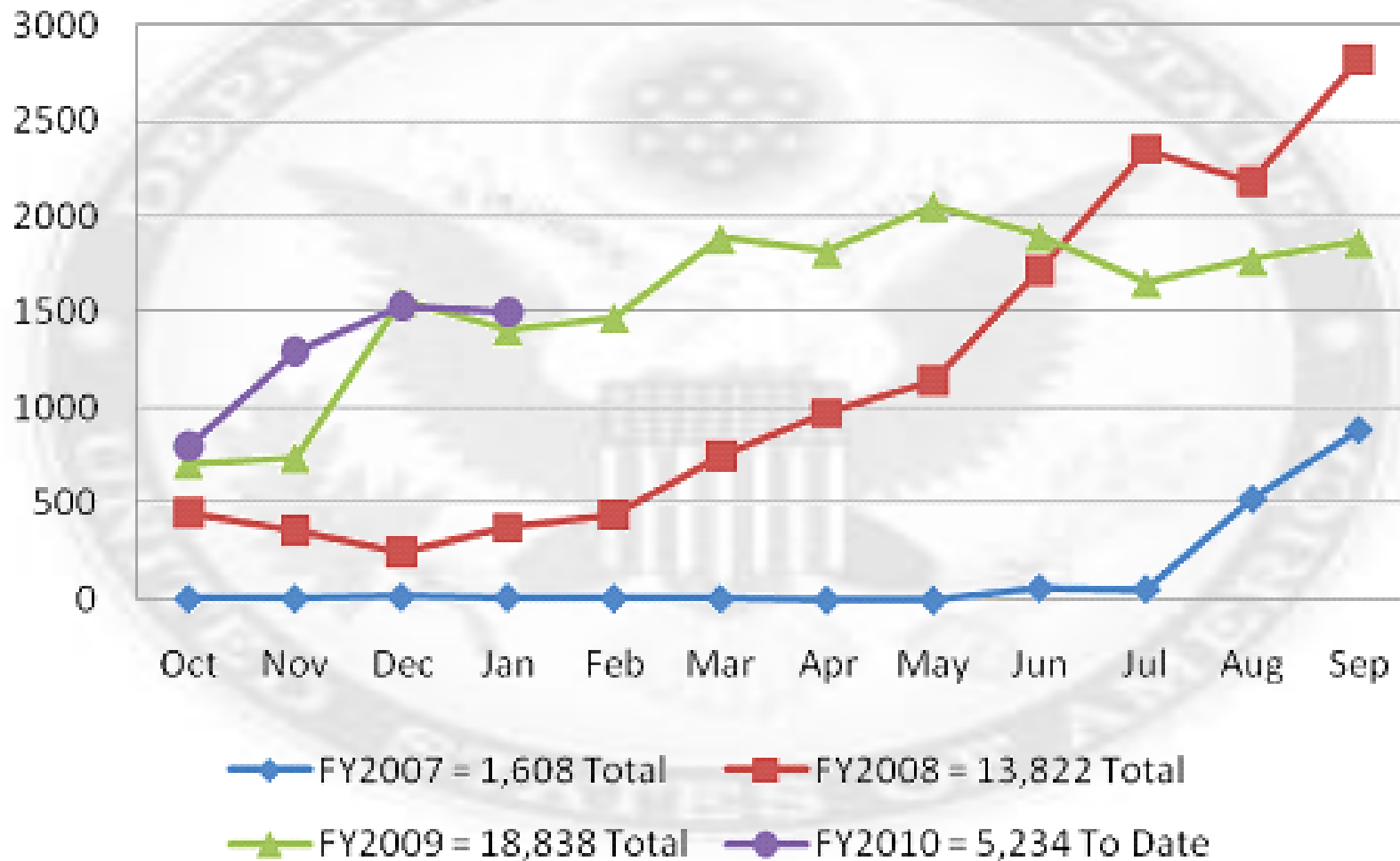


- **There are almost 229,000 Iraqi refugees currently registered with the UN High Commissioner for Refugees (UNHCR) in neighboring countries and an undetermined number of unregistered refugees. UNHCR reports that 1.5 million Iraqis remain internally displaced due to sectarian violence following the Samarra Mosque bombing of February 2006.**
- **Since the beginning of 2008, some 464,000 Iraqis have returned to their neighborhoods in Iraq. The majority of the Iraqis returning were internally displaced persons.**
- **In FY09, the U.S. Government contributed \$387 million to international and non-governmental organizations to assist Iraqi refugees, internally displaced, and conflict victims.**
- **Since the program's inception in FY07, 50,563 Iraqi refugees have been admitted to the U.S. for resettlement.**
- **As of September 2009, a total of 1,143 Special Immigrant Visas (SIVs) have been issued for Iraqi translators and interpreters (and their dependents) since FY07 (under the Section 1059 program).**
- **As of September 2009, a total of 1,716 SIVs have been issued for Iraqis employed by the U.S. government (and their dependents) since FY08 (under the Section 1244 program).**

# POLITICAL – Refugee Update



## Iraqi Admissions to the U.S.





## SECURITY – Situation Update



### Four detainees escape from Kharkh Prison

#### **Four Detainees Escape from Kharkh Prison:**

- **Four prisoners who are members of al-Qaida in Iraq (AQI) escaped from an USG-controlled prison while in U.S. custody on September 8. The prisoners were being held in Kharkh Prison in Baghdad, formerly known as Camp Cropper. Both the U.S. military and Iraqi Ministry of Justice are working to recapture the escapees, and both are investigating the incident further.**

# ECONOMIC – Oil



## Crude Oil Update:

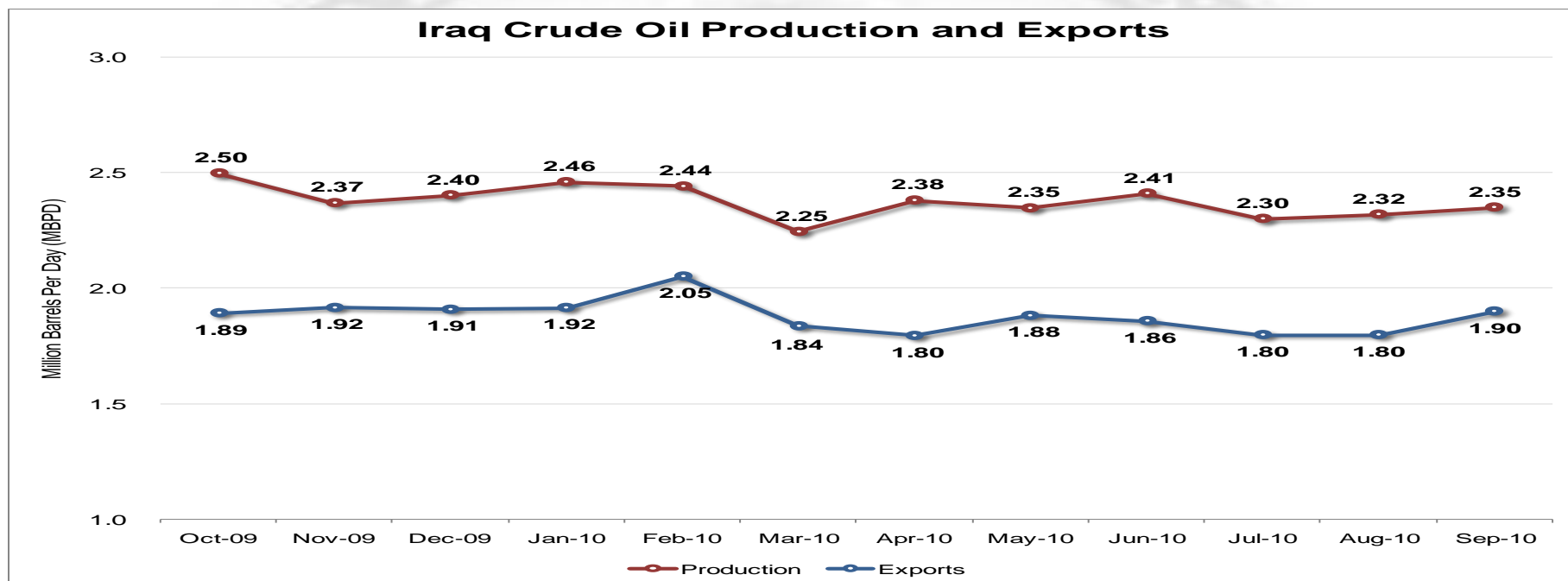
*Price averages in world markets closed with the following prices:*

Basrah Light at \$74.19/barrel

Dated Brent at \$76.85/barrel

WTI Cushing at \$74.87/barrel

Oman/Dubai at \$74.73/barrel



Note: Y-Axis starting point has been changed from zero to 1.0

## Revenue Estimates:

**2008: \$61.9 Billion**

**2009: \$39.2 Billion**

**2010 (ytd): \$30.6 Billion**

## ECONOMIC – Oil



### Iraq raises crude oil prices in world markets

#### **GOI Raises Prices on Basrah Light and Kirkuk Grade Crude:**

- **Iraq's state-owned oil marketing arm announced increases to the prices of Basrah Light and Kirkuk grade crude sold to U.S. and European markets, and the price of Basrah Light sold to Asian markets. The increase of \$1.95 per barrel of Kirkuk grade oil sold to Europe represents the biggest of the cost increases.**

## ECONOMIC – Fiscal and Monetary Affairs

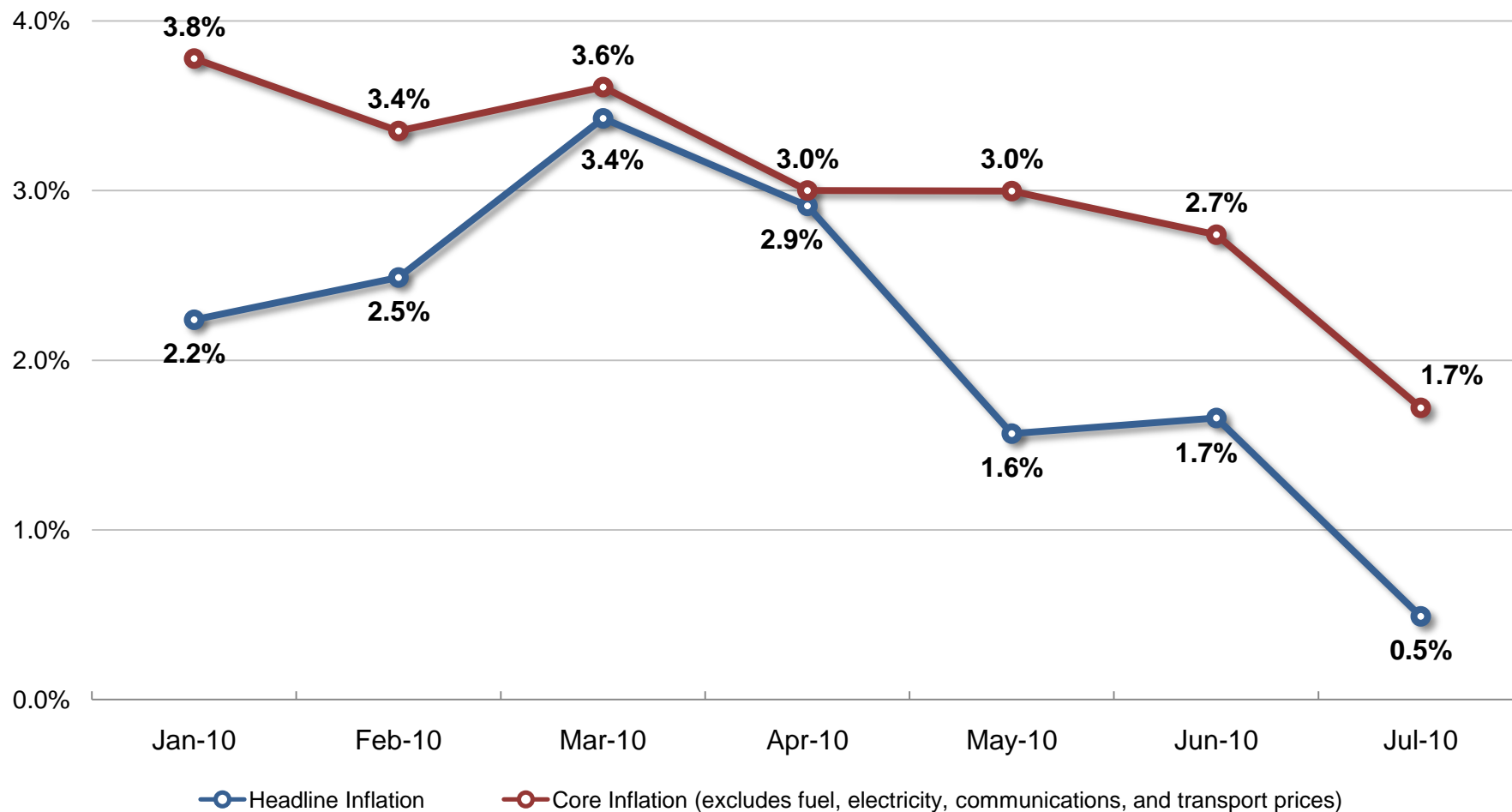


Economic Indicator	This Week	Last Week	Last Month	Last Year
<b>Iraqi Debt Swap Bond Prices and Yields</b>				
Price (USD)	\$85.76	\$86.27	\$86.19	\$64.50
Yield	7.26%	7.20%	7.21%	10.32%

## ECONOMIC – Fiscal and Monetary Affairs



### Iraq: Year-on-Year Inflation

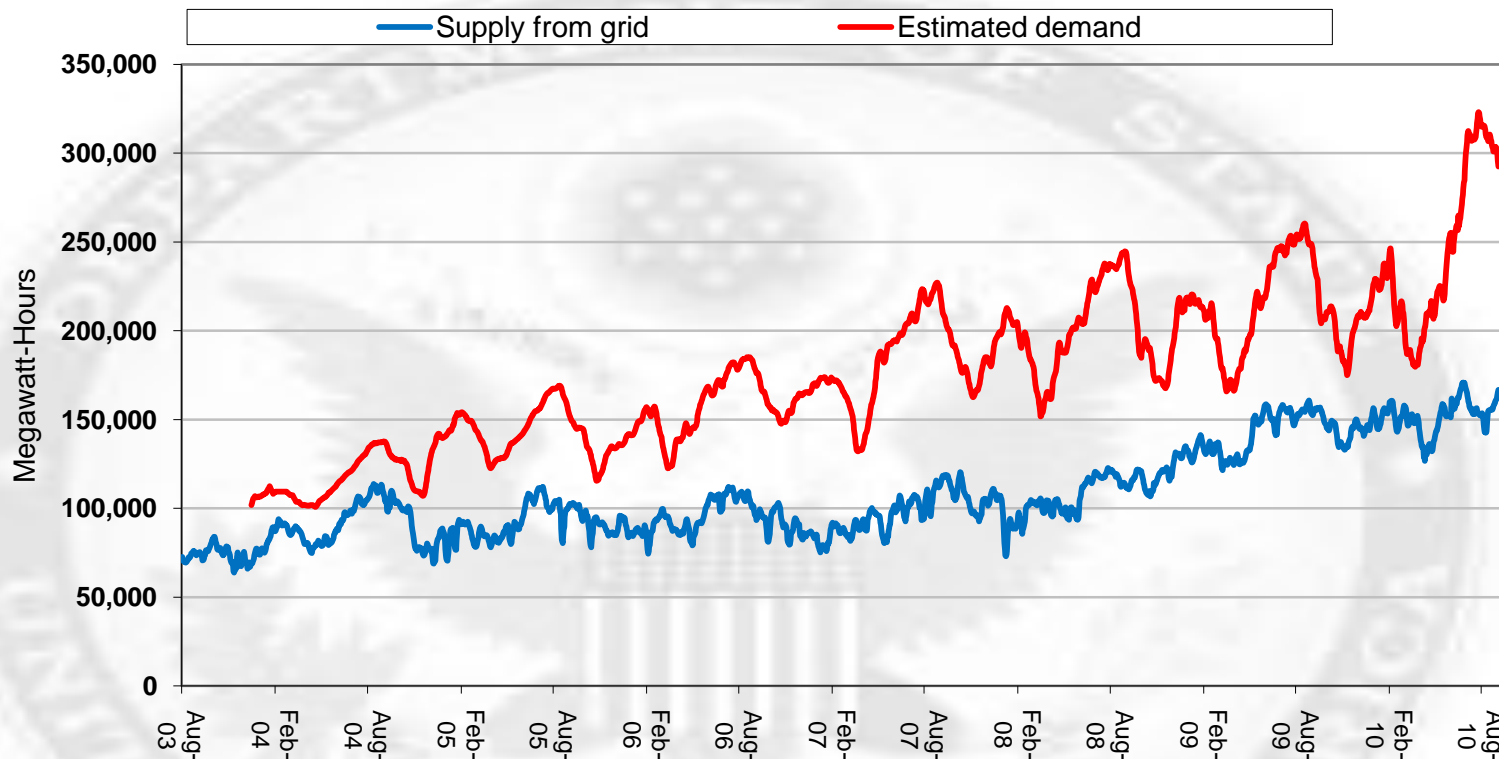


• In 2010, the Central Bank of Iraq began using a new Consumer Price Index. As a result, year-on-year inflation data prior to January 2010 cannot be directly compared.

## Public Services – Electricity



### Daily Electricity Supply from the Grid and Estimated Daily Demand



- September 4-10 supply from the grid was 9% above the year-earlier period and met 51% of estimated demand compared with 57% for the same period in 2009.
- Feasible generating capacity rose 8% between summer 2009 and summer 2010, but that gain has been offset by a fall in capacity utilization. The year-on-year supply gain for September 4-10 reflects at least a temporary restoration of generation utilization to its 2009 level.



## ECONOMIC – Public Services



Anbar approves Provincial Development Plan; job fair in Salah ad-Din matches workers with employment opportunities

### **Anbar Council Approves Industrial, Medical Investments:**

- On September 7, the Anbar Council approved its 2011 Provincial Development Plan, which outlines investment projects needed in Anbar's services, industrial, and medical sectors. Among other ventures, the council approved funding for the development of three border crossings in the province, a garage for international trucks, and a hotel project. While the funds will be utilized across Anbar, the provincial capital, Ramadi, will receive the bulk of the funding. The chairman of Anbar's investment committee also noted that accelerated development of electrical infrastructure is needed to rectify Anbar's insufficient power supply.

### **Job Fair for Construction Workers Held in Tikrit:**

- The Iraqi-Based Industrial Zone (I-BIZ) at Contingency Operation Base Speicher in Tikrit organized a job fair for Salah ad-Din residents with skills in construction and trade. Among other industries represented at the fair were carpentry, electricity, welding, plumbing, and engine repair. The organizers of the fair sought to match these workers with long-term employment opportunities in local companies, as many were relieved of their I-BIZ positions due to the drawdown of U.S. troops from Iraq.

## ECONOMIC – Industry Spotlight: Religious Tourism



New, Shari'a-compliant properties in Najaf cater to religious pilgrims

### **Construction to Begin on Upscale Housing Units in Shi'a Holy Site:**

- **An Emirati company will begin constructing al-Rawdatain Gardens in early 2011 to “fill a specific gap” in the lodging market in Karbala, one of the holiest destinations for Shi'a pilgrims. The complex will contain 624 upscale, furnished, and serviced suites, which can be purchased by investors under a Shari'a-compliant ownership program, just one kilometer away from Karbala's shrine. The company already has U.K. and Saudi shareholders, and a roadshow throughout the Middle East, Africa, and India is in the works to attract more capital for the Gardens project. Aside from Karbala, which hosts 18 million religious tourists annually, the company is researching development opportunities in Najaf, another major destination for Shi'a pilgrims within Iraq.**

## DIPLOMATIC – Political Engagement



### Iraqi regional and international reintegration

#### **Department of State: Human Rights “Critical Component” of U.S.-Iraqi Relations:**

- **Respect for human rights is an important issue in relations between Washington and Baghdad, the U.S. State Department said on September 13 after Amnesty International issued a report on abuse in Iraqi prisons. "Human rights is a critical component" of U.S. work "to build up institutions of the Iraqi government," said spokesman Philip Crowley. The report stated that tens of thousands of detainees are being held without trial in Iraqi prisons and face abuse and mistreatment. "We're aware of the report and the serious charges contained in the report. We've just received it... and are studying it," Crowley said. Additionally, Human Rights Minister Wijdan Salim spent two days at the Department of State, meeting with Secretary Clinton, Ambassador Verveer, Assistant Secretary Posner, and Assistant Secretary Feltman, among others. She discussed not only prisoner abuse, but also women's rights, religious tolerance education, disabilities, and trafficking in persons.**

## DIPLOMATIC – Political Engagement



### Iraqi regional and international reintegration

#### **Iraq to Pay Compensation for Americans Victimized by Saddam:**

- **Iraq has agreed to pay compensation totaling approximately \$400 million to U.S. citizens who were tortured or traumatized by the regime of Saddam Hussein. The money would be paid to Americans who were affected by the Iraqi invasion of Kuwait in 1990. Saddam's government held hundreds of U.S. citizens hostage during the run-up to the Gulf War and used them as human shields in hopes of staving off an attack by the U.S. and its allies. A spokesman for the U.S. Embassy in Iraq said the agreement was signed on September 2 but that Iraq still has to go through several steps for the agreement to be finalized.**

#### **Iraqi and Syrian Prime Ministers Discuss Bilateral Relations:**

- **Iraqi Prime Minister Nuri al-Maliki received a phone call on September 9 from his Syrian counterpart Muhammad Naji al-Utri and discussed bilateral relations, according to a statement from Maliki's office. The phone conversation between the two Prime Ministers was the first contact in more than a year after Maliki accused Damascus of being involved in the deadly blasts that targeted the Foreign and Finance Ministries of Iraq in August 2009. The two sides underlined that developing bilateral relations is in the interest of both countries.**

## DIPLOMATIC – Political Engagement



### Iraqi regional and international reintegration

#### **Iraq Elected to Chair Asia Group in UN Human Rights Council:**

- **The Republic of Iraq has been elected Chairman and Coordinator of the Asian Group in the United Nations Human Rights Council at a meeting attended by 43 Asian countries. Iraq will chair the Group for a period of one year, completing its term on September 1, 2011. Iraq's Permanent Representative in Geneva Dr. Mohammed Ali Al-Hakim delivered a speech in which he thanked the Asian countries for the high confidence placed in Iraq and its permanent mission in Geneva to fulfill its duties as Chairman. Hakim promised full cooperation with the member countries and continuous coordination with the presidency of the Human Rights Council.**



## Baghdad and Beyond



Diyala Summer School Graduation Ceremony

### *Diyala*

### *Karbala*

“...we will help Iraq's institutions strengthen their capacity to protect the rule of law, confront corruption, and deliver basic services.”

*President Barack Obama*

### *Recent Highlights*

For two months during the summer break, over 700 secondary students in Diyala province gathered at selected schools for a special summer school program sponsored by the Diyala PRT, USAID, the Red Crescent, and local officials. Classes were held five days a week and included activities such as making arts and crafts projects, playing team sports, and performing plays. The students also received practical training in first aid and English and a weekly career opportunities class. The program encouraged secondary students from volatile, disadvantaged areas to remain in school, pursue careers and become responsible members of their communities.

Agricultural education projects are strengthening the quality of Karbala's agricultural communities and introducing innovative techniques to students and farmers in the province. The U.S.-funded Al-Beitar Vocational School Laboratory Project is one such program, which includes renovating or constructing three laboratories and upgrading agricultural laboratory equipment. The Project would not have been possible without the partnership of the Ministry of Education, the Provincial Council, the Governor, and other provincial officials.





## CONTACT INFORMATION

**This brief draws from multiple sources. References are cited on the following pages.**

**For additional information, please see:**

- **Department of State, Section 2207 Report on Iraq Relief and Reconstruction**  
<http://2001-2009.state.gov/p/nea/rls/rpt/>
- **Department of State, Section 1227 Report on Iraq**  
<http://2001-2009.state.gov/p/nea/rls/rpt/>
- **Department of Defense, Section 9010 Measuring Stability and Security in Iraq**  
[http://www.defenselink.mil/home/features/Iraq\\_Reports/index.html](http://www.defenselink.mil/home/features/Iraq_Reports/index.html)

**Please forward all questions and/or comments to:**

**[NEA-I-IPOG-DL@state.gov](mailto:NEA-I-IPOG-DL@state.gov)**



## NOTES AND SOURCE CITATIONS (1 of 2)

Slide 4:

- Aswat al-Iraq, September 14, <http://en.aswataliraq.info/?p=136780>
- Aswat al-Iraq, September 13, <http://en.aswataliraq.info/?p=136772>

Slides 5-8:

- Department of State, NEA Political Section, NEA-I-POL-DL@state.gov

Slide 9:

- AP, September 9,  
[http://www.google.com/hostednews/ap/article/ALeqM5hwK\\_CSpBxsNuVUEaDuOwmSSCiqGwD9I4EV2G0](http://www.google.com/hostednews/ap/article/ALeqM5hwK_CSpBxsNuVUEaDuOwmSSCiqGwD9I4EV2G0)

Slide 10:

- Department of State, NEA/I Economics Section, NEA-I-ECON-DL@state.gov

Slide 11:

- BusinessWeek, September 8, <http://www.businessweek.com/news/2010-09-08/iraq-raises-all-crude-prices-for-oct-to-u-s-europe-and-asia.html>

Slide 12:

- Department of State, NEA/I Iraq Policy and Operations Group, NEA-I-IPOG-DL@state.gov

Slides 13-14:

- Department of State, NEA/I Economics Section, NEA-I-ECON-DL@state.gov

Slide 15:

- Aswat Al-Iraq, September 7, <http://en.aswataliraq.info/?p=136632>; Aswat Al-Iraq, September 7, <http://en.aswataliraq.info/?p=136628>; Aswat Al-Iraq, September 7, <http://en.aswataliraq.info/?p=136623>
- USF-I, September 8, <http://www.usf-iraq.com/news/headlines/iraqi-craftsmen-linked-with-employers>



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- Gulf News, September 9,  
[http://www.zawya.com/Story.cfm/sidGN\\_09092010\\_100908/Range%20has%20high%20hopes%20in%20Karbala](http://www.zawya.com/Story.cfm/sidGN_09092010_100908/Range%20has%20high%20hopes%20in%20Karbala)

Slide 17:

- AFP, September 13,  
[http://www.google.com/hostednews/afp/article/ALeqM5jTRVfvPn0OoYcd5Y4J6\\_Z0DIIRAQ](http://www.google.com/hostednews/afp/article/ALeqM5jTRVfvPn0OoYcd5Y4J6_Z0DIIRAQ)

Slide 18:

- Al-Jazeera, September 11, <http://english.aljazeera.net/news/middleeast/2010/09/201091111953595264.html>
- Aswat al-Iraq, September 9, <http://en.aswataliraq.info/?p=136705>

Slide 19:

- Ministry of Foreign Affairs, September 7, <http://www.mofa.gov.iq/english/news/display.aspx?newsid=9173>

Slide 20:

- Source for Stories: Embassy of Baghdad, Education & Culture, September 6, 2010 <http://iraq-prt.usembassy.gov/20100906diyala11.html>
- Embassy of Baghdad, Education & Culture, August 7 <http://iraq-prt.usembassy.gov/20100807karbala1.html>
- Source for President Obama's Quote: [http://www.whitehouse.gov/the\\_press\\_office/Remarks-of-President-Barack-Obama-Responsibly-Ending-the-War-in-Iraq/](http://www.whitehouse.gov/the_press_office/Remarks-of-President-Barack-Obama-Responsibly-Ending-the-War-in-Iraq/)
- Source for Photograph: Embassy of Baghdad, Education & Culture, September 6, 2010 <http://iraq-prt.usembassy.gov/20100906diyala11.html>